



PLANNING COMMISSION WORK SESSION AGENDA
Monday, March 14, 2016 - 6:00 PM

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting to Peggy Hawker, City Recorder at 541.574.0613.

The agenda may be amended during the meeting to add or delete items, change the order of agenda items, or discuss any other business deemed necessary at the time of the meeting.

1. CALL TO ORDER

2. UNFINISHED BUSINESS

2.A. Local Improvement Districts (LID) code update public outreach FAQ case studies

[Local Improvement Districts.pdf](#)

3. NEW BUSINESS

3.A. Discussion of City Council goals for 2016-17 fiscal year.

[CC Goals.pdf](#)

4. ADJOURNMENT

Memorandum

To: Newport Planning Commission

From: Derrick Tokos, Community Development Director 

Date: March 11, 2016

Re: Work Session on Local Improvement District Policies, Case Studies, and Informational Materials

A public hearing was scheduled for March 14th on the Comprehensive Plan policies that will provide guidance for how the City should use Local Improvement District's (LIDs). Unfortunately, the hearing wasn't adequately noticed and must, therefore, be rescheduled. A copy of the draft ordinance and policy language is enclosed along with minutes from the work sessions where the Commission discussed the policies. I would appreciate any feedback you may have on the draft, and we can set March 28th as a new hearing date. A draft copy of an informational flyer is also enclosed. Please take a moment to look it over as this is something that we would like to wrap up at this work session.

The Comprehensive Plan policies include a change that came out of the last Technical Advisory Committee meeting on February 17, 2016, where there was consensus that LIDs for residential neighborhoods should not exceed 10% of a properties assessed value. Anything above that was viewed as an unreasonable burden to a homeowner. Another cap was established for other types of LIDs, such as those initiated by a developer, to limit the City's exposure should the property owner(s) fail to perform. It is set to 50% of the assessed value. I will have tables and maps for one of the case studies that the consultant, FCS Group, setup on a projector for Monday's meeting to illustrate the 10% example, and would appreciate your feedback as to whether or not these policy "sidebars" are correct.

Attachments

- Draft Ordinance No. 2093
- LID Informational Handout

CITY OF NEWPORT
ORDINANCE NO. 2093

**AN ORDINANCE AMENDING ORDINANCE NO. 1621
(AS AMENDED) TO AMEND THE GOALS AND POLICIES SECTION OF THE
PUBLIC FACILITIES ELEMENT OF THE COMPREHENSIVE PLAN
RELATING TO LOCAL IMPROVEMENT DISTRICTS
(Newport File No. 4-CP-14)**

Summary of Findings:

1. On December 14, 2015 the Newport Planning Commission initiated amendments to the “Public Facilities” element of the Newport Comprehensive Plan that put in place policies to provide guidance for when and how Local Improvement District’s (LIDs) are to be used to fund public facilities.
2. Developing strategies to secure financing to pay for planned transportation system improvements is critical for implementation of a Transportation System Plan (TSP). Unfortunately, Newport’s TSP provides little in the way of direction or guidance for how the City should fund transportation improvements. Nonetheless, the City has been creative in developing local funding sources, including urban renewal, local gas taxes and transient room taxes, and the City actively leverages available state and federal resources. These resources fall well short of being able to adequately fund needed transportation projects.
3. The City has been hesitant to explore the use of LIDs to fund transportation projects because of the perceived complexity of implementing an LID program and the real concern that if done poorly, an LID program could compromise the City’s overall financial position. There is also a general lack of understanding amongst the public, staff, and policy makers about what is involved in forming an LID and how this financing tool can be a cost effective solution to funding transportation projects. Consequently, Newport has only basic LID enabling legislation on its books and has not initiated an LID in many years.
4. In June of 2014 the City of Newport secured a Transportation Growth Management (TGM) Grant from the Oregon Department of Transportation (ODOT) to develop model policies, a “Cookbook” of LID Implementation Strategies, model code, case studies, and public informational materials to clarify how LIDs can be effectively used to fund local government transportation projects.
5. An intergovernmental agreement between the City of Newport and ODOT was executed in April of 2015 and ODOT subsequently hired the consulting firm FCS Group to assist with the project.
6. A Technical Advisory Committee (TAC) of internal and external stakeholders was formed to assist the consultant, and the TAC met to review draft LID policies, model code, implementation strategies and other deliverables on July 6, 2015, September 14, 2015, January 11, 2016 and

February 17, 2016. The Planning Commission met in work session to review and comment on these same materials on November 9, 2015, November 23, 2015, December 14, 2015, and initiated draft amendments to the “Goals and Policies” section of the “Public Facilities” element of the Newport Comprehensive Plan on December 14, 2015.

9. The proposed amendments to the “Public Facilities” element of the Newport Comprehensive Plan are consistent with applicable Statewide Planning Goals in that the changes:

- a. Have been developed and vetted with a Technical Advisory Committee and the City of Newport Planning Commission consistent with Statewide Planning Goal 1, Public Involvement; and
- b. Provide policy direction for identifying transportation and other public infrastructure projects that are good candidates for LID funding, limitations and risks inherent to this funding tool, and factors policy makers should consider to mitigate such risks, which will promote fact based decision making consistent with Statewide Planning Goal 2, Land Use Planning; and
- c. Complement economic development strategies contained in the Comprehensive Plan that call for the City to develop strategies for funding street and related infrastructure needed to support economic opportunity sites, consistent with Statewide Planning Goal 9; and
- d. Support the provision of needed housing within the Newport city limits by providing an additional method of financing all or a part of the infrastructure needed to support the construction of new units or to improve the quality of the existing housing stock, consistent with Statewide Planning Goal 10; and
- e. Provide for the timely, orderly, and efficient arrangement of public facilities and services by expanding the range of financing tools available to fund needed infrastructure improvements, as encouraged by Statewide Planning Goal 11, Public Facilities and Services.

10. No other Statewide Planning Goals are applicable to the proposed changes to the “Public Facilities” element of the Newport Comprehensive Plan.

11. While the work to develop the proposed amendments was driven by the need to expand the City’s toolkit of funding options for planned transportation improvements, they are relevant to other public facility needs, such as sewer, water, and storm drainage infrastructure. Therefore, it is appropriate that they be structured in the Comprehensive Plan such that they are applicable to the full range of public infrastructure services provided by the City.

12. The Planning Commission held a public hearing on _____, and voted to recommend **[or forgo]** adoption of the amendments.

13. The City Council held a public hearing on _____ regarding the question of the proposed revisions, and voted in favor of [or to forgo] their adoption after considering the recommendation of the Planning Commission and evidence and argument in the record.

14. Information in the record, including affidavits of mailing and publication, demonstrate that appropriate public notification was provided for both the Planning Commission and City Council public hearings.

THE CITY OF NEWPORT ORDAINS AS FOLLOWS:

Section 1. The Goals and Policies section of the Public Facilities element of Ordinance No. 1621 (as amended) is amended as illustrated in Exhibit "A".

Section 2. This ordinance shall take effect 30 days after passage.

Date adopted and read by title only: _____

Signed by the Mayor on _____, 2016.

Sandra Roumagoux, Mayor

ATTEST:

Margaret M. Hawker, City Recorder

GOALS AND POLICIES **PUBLIC FACILITIES ELEMENT**

GENERAL

Goal: To assure adequate planning for public facilities to meet the changing needs of the City of Newport urbanizable area.

Policy 1: The city shall develop and maintain public facilities master plans (by reference incorporated herein). These facility plans should include generalized descriptions of existing facilities operation and maintenance needs, future facilities needed to serve the urbanizable area, and rough estimates of projected costs, timing, and probable funding mechanisms. Public facilities should be designed and developed consistent with the various master plans.

Policy 2: In order to assure the orderly and cost efficient extension of public facilities, the city shall use the public facilities master plans in the capital improvement planning.

Policy 3: The city shall work with other providers of public facilities to facilitate coordinated development.

Policy 4: Essential public services should be available to a site or can be provided to a site with sufficient capacity to serve the property before it can receive development approval from the city. For purposes of this policy, essential services shall mean:

- > Sanitary Sewers
- > Water
- > Storm Drainage
- > Streets

Development may be permitted for parcels without the essential services if:

- > The proposed development is consistent with the Comprehensive Plan; and
- > The property owner enters into an agreement, that runs with the land and is therefore binding upon future owners, that the property will connect to the essential service when it is reasonably available; and
- > The property owner signs an irrevocable consent to annex if outside the city limits and/or agrees to participate in a local improvement district for the essential service.

Policy 5: Upon the annexation of territory to the City of Newport, the city will be the provider of water and sewer service except as specified to the contrary in an urban service agreement or other intergovernmental agreement.

Policy 6: Local Improvement Districts (LIDs) should be evaluated as a means of funding public facilities where the construction of such facilities is expected to enhance the value of properties that are adjacent or proximate to the planned improvements.

For LIDs in developed residential areas, the aggregate assessment amount within a prospective LID should be no more than 10% of the assessed value of properties within the boundaries of the proposed district. The aggregate assessed value may be higher for other types of LIDs, such as developer initiated districts; however, in no case should it exceed 50% of the assessed value of the affected property.

When considering a new LID, the City should proceed with preparing an engineer's report that sets out the likely cost of constructing the improvement.

Consideration should be given to bundling LID projects with other capital projects that the City secures bond funds to construct. For an LID to proceed, it must have a reasonable chance of being self-financing, with adequate reserves to ensure that payments are made on bonds/loans regardless of the property-owners' repayment.

If an LID project is considered by the City Engineer to be a partial improvement (less than ultimate planned design), the City should require that interim improvements conform to current City standards in a manner which will allow for completion of the total facility at such time that resources are available.

New LIDs may be initiated by petition or resolution of the City Council.

Formation of an LID by Petition

The City Council shall evaluate new LIDs proposed by petition to determine if City resources should be expended to formulate an engineer's report. Only those projects with substantial public support should proceed. An LID petition that includes non-remonstrance agreements and/or petitions of support from property owners representing 75% of the benefited area shall be presumed to have substantial public support.

If an LID petition seeks to leverage other funding to achieve 100% of the project costs than the City Council should consider the likelihood of whether or not those funds will be available within the timeframe that they would need to be committed for construction.

When the City receives petitions for multiple LIDs, priority should be given to prospective LIDs with the highest level of documented support, as measured by recorded non-remonstrance agreements and/or petitions in the benefit area in question.

The cost of completing the engineer's report should be included in the total LID assessment. The City should update its fee schedule to include a non-refundable LID Application Fee to be paid by LID petitioner(s) for petition-initiated LIDs.

City Council Initiated LIDs

The City Council on its own motion or upon recommendation by the City Manager may initiate an LID without a petition. In doing so the City Council shall consider the following factors:

- Project purpose and need, including whether or not the improvement addresses an immediate health and safety risk or if it has been identified as a priority improvement in an adopted public facility plan.
- Whether the improvement will address existing deficient infrastructure that is chronically failing.
- Capital cost of the improvement.
- Project cost contingencies and related construction risk factors, such as the need to acquire new public right-of-way, unique construction challenges, or environmental issues.
- Nature of the area of benefited.
- The amount of potential non-LID funding that is expected to be leveraged by the LID, if any. This may include, but is not limited to, federal or state grants, sewer or other types of service charges, urban renewal funds, revenue or general obligation bonds, and reimbursement districts.
- Percentage of properties within the benefit area that have prerecorded non-remonstrance agreements or have owners that favor formation of an LID.

When considering multiple City-initiated LIDs, priority should be given to the LID that addresses the greatest number of factors identified above.

Policy 7: The City may use various means to finance, in whole or in part, improvements to public services in order to maintain public facility service levels and to carryout improvements identified in public facility plans, and adopted city goals and policies. This includes but is not limited to consideration of federal or state grants; water, sewer, storm drainage and other types of service charges; urban renewal funds, revenue or general obligation bonds, local improvement districts, and reimbursement districts.

WATER

Goal: To provide the City of Newport with a high quality water system that will supply residents and businesses with adequate quantities for consumption and fire protection.

Policy 1: The city will comply with state and federal laws concerning water quality and will take appropriate steps consistent with those laws to protect and maintain drinking water source areas.

Implementation Measure 1: The City shall work to establish a source water protection buffer in the Big Creek Watershed. The City declares the Big Creek Watershed a public facility consistent with the definition of Public Facility Systems in OAR 660-011-0005(7)(a)(A). The City will work to establish a source water protection buffer that is consistent with the findings of the Oregon Department of Environmental Quality / Oregon Health Department source water assessment report (PWS #4100566).

Policy 2: The water system will be designed and developed to satisfy the water demand of the various users under normal and predictable daily and seasonal patterns of use, and at the same time provide sufficient supplies for most emergency situations.

Policy 3: The city may extend water service to any property within the city's urban growth boundary, and may extend water service beyond the urban growth boundary if the extension of service is not inconsistent with an urban service agreement or other intergovernmental agreement. The city may require a consent to annexation as a condition of providing water service outside the city limits.

Policy 4: The city will acquire lands within the municipal watershed when available or necessary to protect water quality or improve its water system.

Policy 5: The city will reconstruct its municipal raw water storage and distribution facilities to address identified structural deficiencies to Big Creek Dam #1 and Big Creek Dam #2.

Implementation Measure 1: The city shall conduct necessary and appropriate engineering studies to determine the safest and most cost-effective approach to ensure the integrity of the municipal water supply. The studies shall identify the cost and timing of needed capital projects to address identified structural deficiencies and comply with Policy 2 of this section.

Implementation Measure 2: The city shall explore financing mechanisms, and prepare a financing plan to fund construction needed to resolve the structural deficiencies by 2030.

Implementation Measure 3: The city shall use data and findings from Implementation Measures 1 and 2 of this section to update the Water Supply section of the Public Facilities element of the Newport Comprehensive Plan to reflect new information as a result of the engineering and finance studies.

WASTEWATER

Goal: To provide a wastewater collection and treatment system with sufficient capacity to meet the present and future needs of the Newport urbanizable area in compliance with State and Federal regulations.

Policy 1: On-site sewer systems shall not be allowed unless the city's sanitary sewer system is greater than 250 feet away. In any case, a subsurface permit from the Lincoln County Sanitarian must be obtained prior to any development that will rely on an on-site sewer system.

Policy 2: City wastewater services may be extended to any property within the urban growth boundary. Except for the very limited circumstances allowed by state law and regulations, the city will not generally provide wastewater services outside the urban growth boundary. The city may require a consent to annexation as a condition of providing wastewater service outside the city limits. Nothing in this policy obligates the City to provide wastewater services outside of the city limits. For property outside the city limits but within the urban growth boundary, wastewater services may be provided at the City's discretion only for:

- a) residentially zoned lands as allowed by county zoning without full services, and
- b) commercial and industrial zoned lands to existing lawful uses as of the date (9/4/07) of this amendment.

Policy 3: The city will design and develop the wastewater collection and treatment system in a way that addresses the demands of the various users under normal and predictable daily and seasonal patterns of use.

TRANSPORTATION

Transportation Goals and Policies repealed by Ordinance No. 1802 (January 4, 1999).

STORM WATER DRAINAGE

Goal: To provide a storm water drainage system with sufficient capacity to meet the present and future needs of the Newport urbanizable area.

Policy 1: The city will comply with state and federal laws concerning water quality.

Policy 2: The city will use existing, natural drainage systems to the greatest extent possible.

AIRPORT

Goal: To provide for the aviation needs of the City of Newport and Lincoln County.

Policy 1: The city will ensure through zoning and subdivision ordinance provisions that the airport will be able to operate safely and efficiently.

Policy 2: The city will cooperate with state and federal agencies in the development of the airport.

PORT OF NEWPORT*

Goal: To collaborate with the Port of Newport on the implementation of its Capital Improvement Plan.

Policy 1: The city will coordinate with the Port of Newport when planning to upgrade or construct new public facilities within the Port District and will seek to partner on capital projects to achieve mutually beneficial outcomes.

Policy 2: The city will assist the Port of Newport in its efforts to secure outside funding for capital projects.

**Subsection added by Ordinance No. 2056 (September 5, 2013).*

MINUTES
City of Newport Planning Commission
Work Session
Newport City Hall Conference Room A
November 9, 2015
6:00 p.m.

Planning Commissioners Present: Jim Patrick, Lee Hardy, Gary East, Rod Croteau, Bill Branigan, and Bob Berman.

Planning Commissioners Absent: Mike Franklin (*excused*).

PC Citizens Advisory Committee Members Present: Dustin Capri.

City Staff Present: Community Development Director (CDD) Derrick Tokos and Executive Assistant Wanda Haney.

Chair Patrick called the Planning Commission work session to order at 6:00 p.m. and turned the meeting over to CDD Tokos.

A. Unfinished Business.

1. Draft Changes to the Local Improvement District (LID) Code. Tokos said he has started to receive materials from the consultant, and this seemed like an opportune time to bring this to everybody at this work session. He wanted to spend most of the time talking about policy language, but he said he'd be happy to go through the code as well. Tokos noted that this is a TGM State-funded project to help us rework our rules, but also to create a model that can be used by small jurisdictions statewide. LIDs haven't been used effectively, particularly in small jurisdictions. We also have a work group that Hardy and Franklin are assisting on. This technical advisory committee will be scheduling another meeting in the latter part of this month or in December. Tokos went over the Comprehensive Plan policies, which are as he received them. He really thinks the policies are the place to provide guidance on how this type of tool should be used. He thinks this is a little bit light. There should be some scope here. We could start by putting in policy language for how to deal with implementation. The subdivision code isn't supposed to be what this is about as far as the consultant's work. He noted that Policy 4 is about identifying the cost to support subdivisions; and Policy 6 similarly. It's suggesting approval without essential services in place. The city code has current rules that wouldn't allow land divisions without sufficient services. He said that Policy 10 goes in a similar direction getting into the relocation of infrastructure placed in rights-of-way or easements. Tokos said he's not saying that may be good or bad. There's probably a lack in the public facility elements now. He hopes the Planning Commission can help with this. He thinks Policy 8 is a key one, but needs work. He thinks this policy should be split to provide guidance on when to initiate LIDs; when should it be done. There is no guidance there; and he thinks there should be. That would not only help staff for knowing where to focus but also for the elected officials to decide how to use this tool. How do they go about deciding to proceed with one? Once they've held the public hearing and took testimony, are there factors they should be leaning on more than others to create a district to fund improvements.

Regarding emergency approval, possibly we want in the code that the Council could say there's an emergency, and it would trump the waiver of remonstrance. But what constitutes an emergency. That should be framed in the policies. Certainly the failure of a water line or asphalt in an area where there's maybe a dozen homes may be an emergency. There's also room for a fiduciary policy. The consultant didn't put any of those together. What assessments, what measures are favored over others? We need some language in there about financing. Do you use interest off the capital fund to catalyze an LID fund that people could tap into? There's room for what kind of financial exposure the City is willing to take.

Tokos said that Policy 7 seemed fine; it's just general scope of different funding tools the City can tap into for maintaining public facilities. He wondered if LIDs are just a tool of last resort. Should it be framed that way? You can pad together funding if you need to do other things; urban renewal, loans, revenue bonds. If you're down to the last \$50-100 thousand, should that be used to make a project go?

Branigan said if a group gets together and requests an LID, then the question is who controls what they do. They would have to get funding. He assumes the property owners themselves must have some sort of loan they get to make the improvements. Hardy thought they would finance it as a line of credit on their mortgage. She said if this can be "not to exceed 30% of the value of the property," you're looking at big bucks. She would say most can't do it. Tokos said it's correct that property owners can approach the City. The City helps administer it. Hardy said if you have two scopes of work, who has the final say. Tokos said that's a good policy consideration. How should we approach something that doesn't meet the TSP? If it's just a partial improvement, should the policy be that the City initiates for something that is less than the standard. How do we decide what's appropriate? Hardy said some are hinged on other projects. Tokos said his sense is to set the policies up so that we do not allow LIDs to proceed for improvements that don't meet the TSP. If you take it through the TSP, it gets adopted in. But on an ad hoc basis, it

puts the City Engineer in a pickle because then he has to auger out if it's okay in a vacuum. Branigan asked if property owners get together and want to do an LID and the City Engineer says they can do this or that, does the City Council still have to get in and approve an LID. Tokos said yes because it's public it's designed, constructed, and held in perpetuity. It's not like it's a private shared water line; you're coming in to replace a public water line along a local street that the City has to maintain. Croteau said it ends up public, and the City has the ultimate responsibility so it has to set standards for doing it and for financing as well. He agreed that this document is a little light on those aspects. He wondered what this was supposed to do; just present an overview of intent. Tokos said there are a couple of documents; two that would be code-related, and another that is administrative. The policy memo he emailed to the Commissioners. This he thinks needs a lot of work. We need more policies. The code would be redrafted and there would be the actual ordinance that we would implement the LIDs with, which would be far more detailed as it should be. It gets into details. Tokos planned to spend time on that; but getting back to the Comprehensive Plan, he asked if the Commissioners had any other observations about policy direction or areas that should be concentrated on.

Hardy asked if you'd use the same for pre-existing versus new. She thought they almost need to be approached differently. In a subdivision, you're starting with bare ground and theoretically a financially-capable developer. In a pre-existing neighborhood, it can be a combination of variable qualities of services, a variety of age. It's more complicated when you're looking at improving something that already exists as opposed to new. Patrick said he's not sure why we'd be doing LIDs for brand new subdivisions. Tokos said that strikes him as a developer's way of getting the City to finance the infrastructure. Capri said there's a development on 68th Street where that's essentially what the developer did. Tokos said for that particular development that strikes him as a failure of the land division code, which is to ensure that there are enough improvements so that when you buy a vacant lot you can do what you actually want without having to extend sewer or water mains. The buyer should just be responsible for building their home and their own service line; nothing beyond that. That is the developer financed aspect of it. We don't have to allow that. Patrick said the City's been burnt by that before; twice in Lakewood and once in Candle Tree. He said the other one was Running Springs that went back to the bank, and the City wasn't in that. Tokos asked, so you would like to see some language? Patrick said unless under some scenario; maybe if it's possible to do affordable housing, but anything normal then no. Croteau asked if a planned development thing is what he's thinking. Capri asked if the City contributed in Wilder. Tokos said Urban Renewal contributed at 40th and 101. That's a collector road. They didn't look at the City to help them finance anything. Capri asked if they came in in the first place asking the City, it wouldn't have happened. Tokos said no; where we did contribute it was Urban Renewal. OMSI is an example. There was a partnership there, which is a common tool with Urban Renewal. Croteau asked if an LID is a viable mechanism for an affordable-housing-type project as Patrick had mentioned. Patrick said he sees a possibility where it could be used like that. Tokos said we could build that in, or we could use something else; we could do it with Urban Renewal. He expects that conversation in Agate Beach. Berman said, but you're restricted to the current Urban Renewal area. Patrick said you don't do new subdivisions under Urban Renewal. Tokos said you could absolutely use Urban Renewal in subdivisions. There's no reason it couldn't be used for local streets, too. It can be done; he's not saying that's what should be done. Berman said that's not like an LID, which can be used anywhere. Tokos agreed, only in the Urban Renewal area. Patrick thinks LIDs shouldn't be used for new subdivisions. He can't think of a good reason to hang the City out there. He said the City has to come up with financing and get money back out of it. Tokos said we basically fund the construction. We have to find a way to pay for it. With this set up, that would happen. He thinks more work is needed on it to create an LID fund that generates interest off other capital.

Capri asked how property owners pay into the fund. Tokos said when they pay their share, that would be revenue allocated to that specific project, or revenue that would go into that LID fund. We have to budget for the project. We have to make sure there's enough of a balance to cover the cost of construction, the LID is formed, and then we wait to get it paid back into that fund. Capri asked if it's paid from their taxes or if they write a check. Tokos said they write a check, or we lien their property and get paid when they sell. If it's as a lien, we could be sitting there a very long time before we recover that. That's the danger of up-fronting all of that; it takes time to get paid. Croteau asked if we couldn't do a payment schedule. Tokos said yes, pay up front with a payment schedule. He said it has to be paid up front, so the money has to come from somewhere. Capri asked about where the City gets their money if they have to lien ten of twelve. Patrick said wait for them to sell or they die. Tokos said they are hit with interest; but in the lien scenario it's outstanding for a while and we don't know when it's coming back in. Croteau said the City's hanging out there until everybody pays up. Patrick said if it can be 30% of the property value, a lot of people will walk away. Hardy said look what that does to property values. They have a pre-existing mortgage, a declining market, and this lien. She said somebody will get burnt. Patrick said that's what happened in the past. Capri asked if any worked out well. Tokos said yes. The intention is that it would be smaller stuff. The last one was a sewer extension for a half dozen homes off Vista. Small ones work out better. It's desirable for some folks. Tokos said in that area south of Southshore where the developer sold the lots and walked away, and they don't have adequate access, there is one property owner trying to get an LID. Capri said they don't have adequate water, road width and grade, turnaround, septic, and they need a geologic survey. There are five property owners. The lots got sold. His clients bought thinking they were going to be able to build right away. One owner's been working on the issue for twelve or thirteen years. Tokos said that gives a good sense of how difficult it is for individuals to organize an LID. If the City Council initiates it, that drags everybody in for a conversation at that point. He thinks there needs to be policy language when that power is exercised. He thinks the City Council would appreciate that. Berman said it's a huge power. If it can be up to 30%, think how much money could be involved. He wouldn't be amenable if the City Council decided his neighborhood needs sidewalk. He would fight it. He wondered if he would have no basis for fighting it. Tokos said that

gets at what constitutes an emergency. A property owner can otherwise remonstrate against it if they haven't already signed a waiver to opt in as part of a development. Berman asked how he would know. Tokos said when you buy your property, it shows up in the title search. He said he thinks it's highly unlikely that a sidewalk would constitute an emergency. Berman said there's been talk about a signal at NE 73rd. If that's through an LID, he may get forced to pay for that. Tokos said what if there are fatalities at that intersection. He could see that as an emergency. East said he was surprised the Fire Department didn't ask for a signal when they put their station up there. Tokos said we have business owners on the hook to pay for the signal. There were some residential owners, but they were time limited. There was a ten-year period that has passed. So most are just industrial property owners. Tokos said he could see public safety being a good reason to initiate an emergency. He said the same for chronic. Along the golf course, the water lines keep breaking all of the time. An LID could be formed to replace the water lines because it serves a limited number of residents. That's the type of thing where property owners will say they will pay money because they're tired of being without water. Croteau said it could be that we incorporate examples of what constitutes emergencies; traffic safety, infrastructure collapse. Patrick added, failure of the roadbed. Capri said the water is a big one for fire safety as well; fire hydrants. Tokos also thought public health. Patrick asked, like a broken water line. Tokos said that would be infrastructure failure. Collecting storm water could be a health hazard because of mosquitos. Patrick thought that sidebars on emergencies should be listed.

Tokos asked if the Commissioners agree that policies regarding subdivisions and partitions isn't what we are talking about right now. The consensus was that they didn't think so. Patrick said there might be a case for minor partitions. Tokos didn't think we were talking about LIDs in the context of these either. It's more of a land use tool. LID is just the financing. Tokos said he has noted the emergencies we just talked about, and clear policy for when the City Council should initiate an LID. Croteau said decision-making criteria. Tokos said, define how to proceed. Croteau said and fleshing out finances. Patrick said, and when it's owner-driven, what the forms of LIDS are. Capri mentioned fire equipment turnarounds. He said there are a lot of streets that don't meet what the Fire Marshal and the code would now say. He said the trucks keep getting bigger. Tokos said he could see an emergency to be hammerheads where they have repeat calls and have difficulty getting access. Capri asked if the development on 68th that we talked about would qualify for an LID. Tokos said certainly, if the owners can get organized. East asked where the breaking point is if all of the homeowners don't want to participate. Tokos said there's some discussion about owner-initiated LIDs that gets to how many property owners it takes. Patrick thought it was 50% plus one.

Tokos said that's another question. What's the relative priority when someone files a petition? He said some of this isn't easy. The City Engineer has to prepare a cost estimate and plans. It takes a dedication of resources. He wondered if there should be a policy for relative priority. He said the policy could say "addressed by the Public Works Director as resources permit" unless it's an emergency. Tokos said that gives him, the City Council, and the Public Works Director direction on how to apply LIDs. Patrick said if it's owner-initiated and they have a failed sewer line, they could declare an emergency and get moved to the head of the list from that side too. Tokos wondered if the policy should be that if it's an emergency it becomes priority; and others are as resources permit. Hardy asked if something like that occurs, why it wouldn't be the City's responsibility to step up and fix it. Tokos said there's fixing; and then really fixing it. The City would patch it, and it comes out of the maintenance fund. We can't do a full fix given the maintenance budget. Patrick said, say 32nd was the only way to ten or twelve residences, and the road slipped. If the City made it one-way, that wouldn't be popular with the owners down there. Berman asked what the typical time cycle would be. If they walk in with an emergency and all neighbors agree, when would the equipment roll? Tokos said it will take some time. If it's an emergency and we're moving really fast we could probably have a cost estimate and concept-level plans within a week if Public Works drops everything else. If it's an emergency we could immediately hire contractors; otherwise we have to put it out for bid and are looking at four to six months. Croteau said you have emergency emergencies and long-term emergencies that need a permanent fix; like when it's obvious that you can't continue paving. Capri said maybe it shouldn't be labeled emergency. Maybe high priority fixes. Tokos said we might need to take a look at the statutory language; we'd have to use the same references. Branigan said a water or sewer break would be an emergency; but if it's a real emergency the City will patch it. So he questions whether property owners are going to try to form an LID. Croteau said not after the first time, but after chronic failure. Branigan said the City is paying for repairs so eventually will do an LID, but he doesn't think the property owners will. Croteau said if your basement fills with sewage three times in a year, you'll look differently at the picture.

Tokos noted that there was some time to begin going through the structure of the code. He said again, as the Commissioners have observations to please let him know and he will share them with the consultant, Todd Chase. Branigan asked if the consultant has done work for other municipalities; and if so, have they done anything for this code. Is there something to take a look at? Tokos thought that was Chase's approach. He's sure for this Chase borrowed from a lot of jurisdictions. This was his initial cut. Tokos said the first part is typical for a code. Then it goes through definitions. Hardy had a question under section 5 of 12.05.010 where it mentions "overall citywide benefits." She asked how you quantify that. It says at least 25% benefit accruing to city residents if improvements enhance property. She said now you're back to benefitting people. She thinks Chase floats between those two concepts; and they are entirely different. Tokos said there are different ways of looking at this benefit; and it might be worthwhile to define that in the context of the LID code. It could mean enhance its value, improve service; if you're looking at the broader community, maybe a section of a gravel road. Maybe it's a commonly driven street that a large percentage of the community uses. Patrick said that doesn't strike him as being right for triggering this. Hardy said there are areas that were annexed at different times and have different conditions. You can't use a one-size fits all; you have to make it

specific. Tokos gave an example of a collector street parallel to 101 that you're able to construct except for the last 200 feet, and the broader public uses it. To fund that last 200 feet, you need to form an LID. You could make the case that the broader public would benefit. Patrick said this is saying that you can do an LID if 25% is attributable to the public. He said that would be a reason to use other funds. He doesn't see this tracking as a triggering mechanism for an LID. Hardy said, like Urban Renewal. Tokos said it could be a question of what constitutes benefit.

Going back to the definitions on the first page, Branigan had a question about the timeline in number three. Tokos wondered why even have that in the definitions. Branigan didn't understand why that was in here. You have to pay it all or pay over ten years. Patrick agreed, you can pay over ten years but not in three. He wondered why string it over ten years. Branigan said it didn't make sense. Tokos wasn't sure why it was in the definitions.

Moving on to 12.05.015 (Engineer's Report), Tokos noted that Tim Gross and company would have to put this together to have an informed conversation whether or not an LID should occur. Capri asked where you come up with a realistic cost estimate without knowing the design. Tokos said we have to do preliminary cost estimates for lots of different things. We're pulling from past experience with like-type projects, or we contact other jurisdictions that have done something similar. When you're pulling from the TSP or facility plans you know what you are putting together. Berman wondered if there's some way to come up with better estimates than they did for the water treatment plant and the swimming pool. Tokos noted that the water treatment plant was before Gross' time, and he didn't pull the cost estimate together for the pool; that was Parks and Rec. Gross was only involved in the design. Tokos said there are provisions that should be in here to deal with when actual costs come in in excess of estimates so that you're not on the hook to commit. He's not sure what percent of the estimate. Patrick wondered if Tokos has talked to Gross about how much it costs them to do this work. Tokos said that's one thing we should think about. By and large this work is handled in-house and not farmed out. Patrick said there's still cost associated; and he would be interested in how much. If it's owner-initiated, and Engineering goes to all this trouble; maybe the City should get reimbursed for it. East said if it's owner-initiated, maybe they should be responsible for all engineering costs. Tokos said say it's owner-initiated and meets the threshold. So Engineering puts all this work in and there's the City Council's time. Then the owner changes his mind and it gets remonstrated. Should there be some reimbursement? Is that getting at it? The consensus was, yes. East said that way the City is just looking at it and approving the plans; and the owners are on the hook for the scheduling costs. Patrick said also then they can do it outside the City. Capri said we'd have standards. Is there a fee associated? Tokos said that's what we are talking about; at least administrative costs if the LID doesn't proceed. East said if they did everything privately on their own, the additional cost when it comes to the City would be like a plan check or approval; not the full engineering fee. Tokos said he will take a look at it.

Tokos explained that 12.05.020 says what the City Council can do with the engineer's report. He said it allows the body to make sure what is in that report is what they want. This would be more if it's City Council initiated. Capri asked if the Council knows enough about criteria one through six to make any changes. Tokos said conceptually maybe they don't, but they can decide if it makes sense to move forward when they have the scope and the cost. They have the right to stop it. Capri said it says here that the Council can change the report and then approve it. Patrick said there should be some room for the City Council to do certain things; like say the scope will be this rather than this. Tokos agreed that to say something like the Council can direct that it be modified and brought back would make sense. He said that's a good point.

Because time was running short, Tokos suggested tabling the review of the rest of the code until the next meeting. He can get a revised set of the Comprehensive Plan for the Commissioners to look at.

B. Adjournment. Having no further time for discussion, the meeting adjourned at 6:57 p.m.

Respectfully submitted,

Wanda Haney
Executive Assistant

MINUTES
City of Newport Planning Commission
Work Session
Newport City Hall Conference Room A
November 23, 2015
6:00 P.M.

Planning Commissioners Present: Jim Patrick, Lee Hardy, Rod Croteau, Bill Branigan, and Bob Berman.

Planning Commissioners Absent: Gary East and Mike Franklin

City Staff Present: Community Development Director (CDD) Derrick Tokos, and City Recorder Peggy Hawker.

Also in attendance were Todd Chase and Tim Wood from the FCS Group.

Chair Patrick called the Planning Commission work session to order at 6:00 P.M., and turned the meeting over to CDD Tokos.

A. Unfinished Business

1. Continued Review of the Draft Changes to the Local Improvement District (LID) Code.

Tokos reported that the packet contains a copy of the cover memo from the FCS Group dated October 21, 2015, along with the draft set of amendments to Chapter 12.05 of the Newport Municipal Code outlining the rules for forming Local Improvement Districts. He stated that he has added the comments provided by the Commission before the end of the November 9 work session. He added that at this meeting, he hopes to complete a review of the draft code so that he can get comments back to the consultant.

Tokos reported that he passed along the Commission's feedback on the draft Comprehensive Plan policies, and noted that the FCS Group was unable to get a revised draft for Commission review at this meeting. He summarized the comments:

- a. Some of the policies seem to be outside the scope of what we are trying to accomplish with the LID update. Namely, the proposed addition to Policy #4, Policy #6, and Policy #10. The first two relate to subdivisions and partitions, and the last pertains to where public improvements are to occur. He noted that the Commission would like to see the policies focused on providing decision makers and staff on how to utilize Local Improvement Districts as a funding tool.
- b. Recommended Policy #7, but why the reference to "essential" public services. Wouldn't this be applicable to public services generally?

- c. Policy #8 is good, but it might be better framed as two different goals. The first should provide policy guidance to staff and decision makers on circumstances for when the city should initiate an LID. The first sentence starts to get at this, but there should be other factors. Another, separate policy should provide decision makers guidance for deciding to proceed to form an LID. The second part of Policy #8 lists considerations. It needs to go a step further and articulate when the considerations should be viewed to be compelling enough that the city should proceed.
- d. A policy is needed for how to respond to LID petitions. When should a petition be prioritized for action, or should there be a general policy that the city will respond to a petition and begin work on a preliminary engineer's report when resources permit.
- e. What constitutes an "emergency?" There were strong feelings that policy sidebars are needed here since this is a tool that could trump a landowners' ability to remonstrate against an improvement. There was general consensus that failed or chronically failing infrastructure fits the bill. A compelling, broader public interest might fit as well, but would need to be clearly framed. Recommendations from the City Engineer, or a facility plan, might be an appropriate authority that decision makers can lean on to establish that infrastructure is chronically failing.
- f. Policy directions should be provided for LID petitions that seek to do less than full improvements. There seemed to be general consensus that a street improvement should conform to the Transportation System Plan or align with what exists on the ground to either side of the improvement.
- g. There should be fiduciary policies that provide direction on appropriate assessment methods and financing of assessments. What kind of tolerance or "risk" should the city take on up fronting costs? There was general consensus that this type of policy should be conservative and minimize risk.
- h. For LID petitions that are filed, but ultimately do not proceed, should there be a policy objective to recover costs in preparing the Preliminary Engineer's Report? It would be helpful to have a cost recovery policy.

Chase reported that the FCS Group attempted to draft a document that would provide policy direction to the City Council and future staff to utilize limited resources. He added that this is an opportunity to organize what will happen with more LID requests. He stated that the document organizes requests into three areas, including: petitions; resolutions without a petition; and the initiation of LIDs in general. Branigan asked whether there are other policies to consider. Chase noted that a consideration is when to use a reimbursement district in lieu of, or in conjunction with, an LID. He added that a reimbursement district does not constitute a lien on a property.

Chase stated that it would be beneficial for the city to have a five-year CIP so that Council can think about the highest priorities for a five-year period. Tokos noted that while the city

does not have a formal five-year CIP, it does have a rolling list of funded capital programs, some of which carry over from year to year.

Croteau asked whether there is a “how to” for citizens to initiate an LID through petition. Tokos noted that part of the plan will include a “how to” document, but that the code needs to be put in place first. He added that citizens tend to initiate LIDs when there is a need.

Hardy asked how much people understand about LIDs. Croteau noted that the city should be able to provide information on this subject. Tokos stated that part of this project is to make LIDs a viable option.

Chase reported that the city could match URA funding with an LID or a reimbursement to stretch dollars.

Tokos reported that, rather than authorizing an individual staffer to take the lead on these projects, it should be driven by circumstances. Patrick asked what happens if a homeowner wants a project that is not listed, by the city, as a high priority. Berman asked how much staff effort it takes to design a street, and Tokos noted that it takes a fair amount of time. Berman asked how a petition is evaluated without a cost estimate. Tokos noted that a key point is relative support, and questioned whether there should be a higher bar to become a priority. Patrick noted that the engineer will prepare a report. Chase stated that the costs of the report should be included in the LID and the application for the LID. Tokos suggested that a high priority project should include 75% of the property owners. Hardy noted that square footage may not mean anything, adding that she would like to the rationale more rational. Croteau asked what happens if a petition is submitted, a cost estimate is prepared, and the petitioner backs out. Chase recommended that the city consider a fee. Tokos stated that the policy will contain an expectation of a cost recovery component. Patrick asked how reliable cost estimates are, and Tokos noted that they are pretty good due to the expanse of projects. He added that the policy needs to include language that allows a fee. Patrick noted that a back-up could be “as resources permit.” Chase suggested that a proposed LID may be a priority with 75% support, and resources permitting, will prioritize those petitions that meet the following criteria: 75%; and 50% to 75%.

A discussion ensued regarding the emergency provisions in instituting an LID, and specifically the second bulleted item under Policy 6B. Chase suggested that the check list could be completed quickly, and the more check marks would equate to a higher score/priority, and if two or three of the items were met, the issue could move forward for an engineer’s report. A discussion further ensued regarding the timing of using URA funds for an LID in an emergency. Chase noted that these criteria would be used for screening, and projects that rise to the top would be moved up the priority list. Tokos suggested an override of remonstrances in the event of an emergency. It was noted that if there is no policy guidance, the emergency could be discretionary. It was suggested that policy sidebars be developed as to how power is used, even to the point of describing what an emergency might look like. Croteau noted that there are two types of emergencies; one being chronically failing; and the other being a real emergency. Tokos asked whether the City Council should have the ability to add an emergency. Hardy recommended looking at issues from a budget standpoint. Chase noted that citizens might decide that something

is an emergency. Hardy stated that there would be no dispute if the words are clearly defined. Tokos suggested language that provides the City Council with the authority to declare an emergency, and override remonstrances, in emergency situations. Hardy mentioned the nature of the area benefitted. Tokos provided an example of a benefitted area in looking for solutions to the City Center traffic issue, and noting that a change to a collector street, and pulling together to get the most funding, could justify an LID. Chase stated that if the area of benefit is broader, there would be more benefits. He suggested a checklist to determine priorities before a project is elevated to the next level for an engineer's report. Tokos stated that he would rather not have the checklist references in the policy, but noted that the first few bullets make sense. He added that anything initiated by the city must be by the City Council. Chase stated that before there is direction from Council to prepare an engineer's report, it would be good to know if the parameters apply. Tokos added that details in a city-initiated LID should be code driven, as long as it is clear what factors should be considered when initiating. Chase suggested combining the requirements into one set of parameters, with the emergency information in the general policy.

A discussion ensued regarding Policy 6C. Chase noted that the city needs to limit risk as it is financing the LID projects. He added that the engineer would make the call regarding the unknown construction risks. Tokos addressed the funding of LIDs. He noted that before the city allows a deferment, it must have a fund in place that demonstrates financial wherewithal. Chase suggested that the city would create a fund for any new LID, by seeding the fund from a variety of sources prior to deferring the cost of the project. He added that every LID should have its own fund. Chase stated that he would take a stab at reworking the fiscal policy. Tokos stated that it would be helpful to have this guidance at the policy level. Chase noted that the policies can be looked at after direction to form an LID. Patrick stated that the payer can spread LID payments over time. Tokos added that the city must have the resources to pay up front. He stated that a priority project would be 100% financed. A discussion ensued regarding how to handle, for example, an LID if someone only wanted to pave a street, and whether to perform the project based on the TSP, or align with what is on either side. It was suggested that this type of "interim" project may be approved provided the project could be upgraded to city standards without excessive costs.

Tokos stated that the next work session would be held on December 14, 2015.

B. **Adjournment**. Having no further business/time, the meeting adjourned at 7:05 P.M.

Margaret M. Hawker, City Recorder



Local Improvement District Frequently Asked Questions

This paper provides information for property owners about Local Improvement Districts (LID) that are used to construct new or refurbished public facility improvements.

What is an LID?

A Local Improvement District is a special public improvement area created under state statutes (primarily ORS 223.399) and local ordinance. This allows for public financing of public facility improvement projects that benefit private property. The eligible category of public improvements is quite broad. LIDs are typically used to install streets, sidewalks, sanitary sewer lines, water lines, and/or storm drainage facilities.

Expenses included in LID assessments include construction payments, engineering, construction management costs, and any financing or administration costs. When the total costs are tabulated, they are divided by the basis of the assessments as defined by the Engineer's Report, which considers each property's equitable cost share based on the benefit it receives and the chose cost-allocation method.

Why is my property included in the LID?

For a property to be included in an LID, it must receive some benefit from the project. For example, the benefits of a neighborhood street generally accrue to those properties served along the abutting street, while the benefits of a sanitary trunk line or storm drainage facility will accrue to the entire area that it serves, not just abutting properties.

The most typical benefits received by properties within an LID include some level of: appreciation in property value, improved access, enhanced safety, water or sewer system access, reduced local flooding risk, increased site marketability or development potential, improved livability and better air quality.

What is the Process for Forming an LID?

There are two ways that an LID can be formed.

1. The council, by motion or on petition of the property owners benefited by the proposed public improvement, may direct that an Engineer's Report be prepared to assist in determining whether a LID should be formed to pay all or part of identified public improvements.
2. In order to form an LID through private petition, a minimum of 75 percent of the property owners (as measured by the area of property owned by properties within the LID) must petition requesting the LID be formed by the City to construct a project.

How can a Developer form an LID?

A developer that needs public facilities, such as roads or water and sewer trunk lines, as part of a development in the City may desire to form an LID. The developer would be responsible for circulating a petition and obtaining signatures from property owners in the proposed LID area. Signing the petition indicates support for the improvement and for using an LID to finance the project. After a petition is submitted to the City Recorder, City staff will determine if the LID meets the required 75% threshold, and if it does, will present the petition to the City Council, which can request staff to prepare an Engineer's Report.

What is included in the Engineer's Report to form an LID?

The Engineer's report describes the construction project and provides: a description of the benefit(s) to the affected area; list of tax lots in the LID; cost estimates; a recommended method of assessment; an estimated cost allocation to the benefitted properties; and a map of the LID boundary. Methods of assessment often include linear frontage abutting the improvement, land area, number of sewer or water connections, impervious surface area, or other measures.

If the Engineer's Report is accepted by City Council resolution and less than two-thirds (66%) of the LID property owners object to the LID, the City Council may approve the formation of the LID and direct staff to have detailed engineering plans prepared. The project may then be advertised for final engineering and construction bids. If these bids are within 10 percent of the Engineer's Report cost estimate, the project can continue and is awarded to the lowest bidder.

At the conclusion of construction, the total costs of the project are tabulated. A public hearing is held to ensure that the final assessment to each property is based on the actual cost of the project and in accordance with the apportionment method contained in the Engineer's Report. Objections to the assessments are heard by the City Council.

Will there be opportunities for the affected property owners to comment on the LID?

Yes, the property owners within an LID will be notified by the City as the Engineer's Report is being drafted. When the Engineer's report is presented to the City Council with a Resolution of Intent to Create an LID, the public can send comments to the City Recorder by mail, or testify at public meetings or hearings. The City Council then accepts, requests modifications, or rejects the Engineer's Report.

If the Engineer's Report is accepted, a public hearing will be set to consider any objections to the project. Notice of the public hearing is published, and objections are heard and considered.

How Would a Property Owner Object To a Proposed LID?

If two-thirds (66%) of the property owners within the LID object to its formation by submitting written testimony to the City Recorder, the City Council must discontinue further consideration of the LID for at least six months. At the end of six months, the project may be reconsidered.

This six month delay provision does not apply if the council unanimously declares the LID improvement necessary because of an emergency or to remedy infrastructure in chronic disrepair.

What are my LID assessment payment options?

Within 10 days after the effective date of the resolution levying the assessments, the City shall send by first-class mail to the owner of the assessed property a notice containing the following information:

- The date of the resolution levying the assessment, the name of the owner of the property assessed, the amount of the specific assessment and a description of the property assessed;
- A statement that the property owner may request to pay the LID assessment in installments; and
- A statement that the entire amount of the assessment is due within 30 days of the date of the notice, and if unpaid on that date will accrue interest and subject the property to foreclosure.

The property owner may elect to establish a payment schedule that stretches out the payment over a period of time with payments due every 6 months. The normal payment period is 10 years. The interest rate is based on the Oregon Bond Index plus 2 percent, and interest is computed semi-annually on the unpaid balance. Payment in full for the outstanding balance of the assessment can be made at any time without penalty.

How will the LID affect my property if it is sold?

A lien is placed against the property until the LID assessment is paid off. The entire amount of principal and accrued interest shall be payable on any sale of the property or change in its boundaries. If payments are not made, the City can foreclose upon its lien to collect the outstanding amount owed.

Who can I contact with additional questions?

You can contact the City of Newport Public Works Department with questions regarding LIDs at: City of Newport, 169 SW Coast Highway, Newport, OR 97365 ph: 541.574.3366

Memorandum

To: Newport Planning Commission
From: Derrick Tokos, Community Development Director 
Date: March 11, 2016
Re: Draft Department and City Council Goals

On March 7th, the Newport City Council accepted a draft report outlining the status of its 2015-2016 goals and listing its goals for 2016-2017. They asked that this document be forwarded to City committees for review and comment.

The Council's goals for the Community Development Department are listed on pages 3 and 5. Also enclosed is a copy of the annual report and Department goals that I provided at your last meeting and a document titled "Attachment A" that lists specific steps that the Council can take regarding affordable and workforce housing issues. The Council elected to postpone action on the Attachment A list until after a regional housing forum is convened on April 5, 2016.

Please review these documents and come prepared to discuss whether or not the goals, particularly those in the draft Council document, are on track or if there are other issues that you believe the Council and our Department should be focused on in the coming fiscal year.

There is a placeholder on the regular session agenda for the Commission to forward a recommendation to the City Council. The Council will consider feedback it receives from committees before finalizing its goals at a public hearing scheduled for March 21st at 6:00 pm.

Attachments

- Draft Council Goals
- Department Annual Report
- "Attachment A" Affordable and Workforce Housing Action Items

CITY COUNCIL GOALS FOR THE 2016-2017 FISCAL YEAR

Introduction

The Newport City Council met in an annual goal setting session on Tuesday, February 23, 2016, beginning at 10:00 a.m. and concluding at 4:00 p.m. The meeting was held in the City Council Chambers located in City Hall at 169 SW Coast Highway. The Council reviewed the Mission Statement, heard presentations on departmental goals, and reviewed various plans and documents prior to identifying potential future goals for the City to pursue in the next fiscal year and beyond.

The City Council also discussed the visioning effort that is proposed to take place during the 2016-17 Fiscal Year. It is expected that the visioning process will redefine the Council's Annual Goal Setting process in the future. The visioning process should help focus development of longer term goals that are directed towards implementing the overall community vision.

The primary purpose of the current goal setting process is to identify priorities that the Council would like to address in the upcoming budget for the City of Newport. This is the basis for the recommendations that will follow in this report.

Throughout the course of the Goal Setting Session, Councilors identified various projects or goals that the City Council would like considered in the upcoming budget for this next fiscal year. These issues were noted on 5 x 8 index cards by each Councilor. Once the cards were collected they were organized into various groupings for the Council's review. Councilors were provided with 14 stickers, which could be placed on 14 items that were identified through the course of the work session to determine overall Council priorities. Those items that were identified by 3 or more Councilors as a priority have been included as Council Goals for the 2016-2017 fiscal year. Other ideas mentioned during the Goal Setting Session are listed for informational purposes only. Please note that the specific goals of the City Council may include some goals that were identified as priorities by the departments. At the March 7, 2016, City Council meeting, the Council will formally will proposed goals for the 2016-17 Fiscal Year, and requested public comments on the proposed goals. On March 24, 2016, following a public hearing, the City Council will adopt the Departmental Goals and the City Council proposed goals.

As part of the upcoming budget process, the budget message from the City Manager will detail how the Council goals have been addressed, or not addressed in the proposed budget for the fiscal year beginning July 1, 2016 and ending June 30, 2017. The Budget Committee can evaluate the City Manager's proposed budget and make any modifications to reflect the wishes of that body. This will also include any ongoing goals from the 2015-16 Fiscal Year.

Review of the 2015-16 Fiscal Year City Council Goals

The 2015-16 Fiscal Year has been a transformative year for the City of Newport. Many public improvements are taking place along the US 101 corridor in South Beach addressing Safe Haven Hill, access to the OMSI property, improvements to Ferry Slip Road, implementation of neighborhood refinement plans, and other projects that are part of the Urban Renewal District for South Beach.

Camp Gray is in process of being completed by OMSI west of US 101. Furthermore, Oregon State University continues to move forward with planning for an undergraduate campus that will ultimately house 500 students in conjunction with the Hatfield Marine Science Center. This effort by OSU will have a significant impact on the City by expanding both Newport's university student population, as well as adding faculty and support staff who will work in Newport. With these additions, the Marine/Science sector of Newport's economy will continue to grow.

Discussions have been taking place regarding the regional role that the Newport Municipal Airport could play for the future on the Central Oregon Coast. In addition, discussions have also taken place on the best way to operate the airport. Work is underway on the construction of the Aquatic Center adjacent to the City's Recreation Center. This facility should be completed by the end of 2016. In conjunction with OSU and other identified priorities, discussions have been ongoing on how to address workforce housing within the City of Newport. The City is proceeding with a \$1.5 million retrofit to the City's main Fire Hall funded entirely by grant resources later this year.

From a planning standpoint, the City created two new Urban Renewal Districts in 2015, the North Side Urban Renewal District and McLean Point Urban Renewal District will capture any growth of property tax revenue from incremental growth in taxable value with those funds remaining within the districts to create improvements that will improve the overall economic conditions of the City of Newport. Urban Renewal Districts of the past have created much of the infrastructure in the City of Newport that is now iconic such as the Boardwalk on the Bay Blvd, PAC VAC, and the Recreation Center. Urban Renewal also facilitated many of the improvements in South Beach that facilitated NOAA's relocation to Newport.

Also in 2015, the local regulation and management of recreational marijuana and fluoridation of City's water required extensive discussions with new regulations adopted for recreational marijuana and a decision to place fluoridation on the May ballot.

Significant headway has been made on a number of critical infrastructure projects including the 71st Street Water and Pump Station project, increasing water availability and fire flows to the Agate Beach area, inter-tie of the City's water system with the Seal Rock Water District, Big Creek Wastewater forced main and lift station projects, Street and Bike path construction in South Beach, the initiation of construction of a New Aquatics Center, and many other smaller improvements. Progress is being made!

During this past fiscal year, staff dealt with a number of unusually and unanticipated issues as well. Severe weather conditions in December resulted in a number of issues ranging from slides, damage to sanitary sewer systems, road issues, and destruction of private property. With the recently declared Federal Disaster for these events, the City will be involved in a substantial amount of record keeping in order to make any claims for reimbursement for public expenses that resulted during the declared emergency. Furthermore, the City will be continuing to work for any opportunities for assistance to the home owners on NE 70th Drive.

Also in December, the City Police Department had to use potentially deadly force to address a situation on U.S. 101. While this did not result in the death of an individual, it did lay out an extensive process

of review and evaluation by the District Attorney who found that the use of force was justified and also resulting in an internal review of this matter as well.

In addition to the items outlined above, during the first seven and a half first months of the fiscal year, the status of the goals established by the City Council for the 2015-16 Fiscal Year are as follows:

15.1.0 City Operations

- 15.1.1** Create an online dashboard that would include the financial reporting on project costs and schedules for Public Works projects (3). Status: Ongoing

Finance, Engineering, and I have met on a number of occasions to more this effort forward. The initial review indicated some fundamental issues needed to be resolved in order to have the project information tie into the City's financial software. This has been completed. We currently can run a complete appropriation to expenditure report for all projects. One challenge for presenting financial reports on projects that extend across fiscal years is that Oregon Budget Law requires tracking over a fiscal year while project management focuses on the project from start to finish. This requires tracking revenues and expenditures on a different basis than a fiscal year. We are currently working to add additional information for a report that can be produced for the Council that will show completion dates for contracted projects as well as contracted amounts. Once we have this information refined and corrected, we will be able to post this information online for public information as well as report regularly with our financial reports to the City Council on the status of these projects. Tim Gross has also assigned our new Project Manager to look at project management software which will help with the tracking and reporting of projects as well. This could result in a modification of the project report that we have developed to date.

- 15.1.2** Proceed with the discussion of regionalization of the Newport Municipal Airport with various stakeholders (3). Status: Completed

The Regional Airport Review Task Force began meeting in July and held their last meeting on February 17, 2016. Their report will be provided to the City Council, Airport Committee, and to the Public Advisory Committee on the development of the Airport Master Plan in March 2016.

15.2.0 Facilities & Infrastructure

- 15.2.1** Install Street lights for the Newport Library (5). Status: Ongoing

Funds were allocated, in the amount of \$50,000, for this purpose. At the request of the Library Director, the Budget Committee shifted this funding for the renovation of the elevator at the Library. This change was adopted by the City Council. There will be a new request in 2016-17 Fiscal Year.

- 15.2.2** Proceed with the replacement of an HVAC system at City Hall (3). Status: Ongoing

In the budget, funds were provided for the engineering and architectural services for this project. Engineering anticipates having a contract for the design of this system which will be placed under the existing roof of City Hall to increase the longevity of the HVAC system. It is anticipated that an architect will be under contract in the next two months.

- 15.2.3** Move forward with Stage 2 of the Library Strategic Plan (3). Status: Completed

\$150,000 was appropriated for the creation of a teen space at the Library. Of this amount, \$100,000 is being paid for by the Library Foundation with the City committed \$50,000 for this project. Work is currently underway to complete the teen room.

15.2.4 Develop a long-term financing plan for City facilities and begin funding that plan (3). Status: Ongoing

The development of this plan will need to be outsourced due to time commitments and expertise. Will include a budget number to embark on this type of facilities planning as part of the 2016-17 fiscal year budget.

15.3.0 Community Development

15.3.1 Pursue City beautification.

15.3.1.1 Pursue City beautification with flower plantings. Status Ongoing

15.3.1.2 Implement stronger code enforcement. Status Ongoing

15.3.1.3 Proceed with annexation of certain South Beach properties. Status: Ongoing

15.3.1.4 Make modifications to the billboard ordinance (6). Status: Ongoing

This is a multi-part goal. In the area of maintenance, the Council budgeted additional contractual labor to help better maintain the existing park, trails, and bathrooms at a higher level than before. Please note that current staffing for these activities is through park maintenance/custodial. Also the City and Library have contracted for maintenance services due to the limitations of time our in-house staff have for this purpose. The Council will need to explore increasing contractual services and staffing to make a more significant impact on beautification projects.

A new Urban Renewal District was formed north of the Yaquina Bay Bridge that will generate funding in the future for streetscape enhancements, benches, public art, and billboard removal. How the funds can best be utilized will be determined with future City-wide and neighborhood specific planning efforts. Utility undergrounding is underway in South Beach along SW Abalone Street and is being planned for US 101 between the bridge and 35th Street and along SE Ferry Slip Road. Once finished, that work will significantly improve the streetscape in the area. Community Development has a limited role in code enforcement, as much of that is handled by the community service officer who works out of the Police Department. That said, the Department has actively coordinated with the Police Department to resolve nuisance issues, enforce sign codes to reduce clutter (e.g. the northwest corner of Harney and US 20) and enforce building codes to resolve public health and safety issues. A work session will be held on annexation issues later this spring.

15.3.2 Proceed with an update of the City of Newport's Parks Master Plan (5). Status: Ongoing

Partial funding was included in the 2015-16 budget. There will be a request to fund the balance in the 2016-17 Fiscal Year budget so this effort will proceed as outlined in last year's proposed budget.

15.3.3 Make a concerted local effort, involving the building owners and lot owners in the City Center to repair their buildings (3). Status: Ongoing

The new urban renewal district north of the Yaquina Bay Bridge includes the City Center area. Funding for a business façade improvement loan/grant program is an eligible project. The City is embarking on a community visioning effort, which will inform a subsequent refinement planning process that will focus on the transportation network and buildings of the downtown area. This will provide business owners with important information so that they can make long term investment plans, and should align nicely when urban renewal funding will be available (2019-2026 timeframe).

15.3.4 Encourage economic development by being friendly to small businesses and finding ways to make Newport a better place for small business success (3). Status: Ongoing

The Community Development Department worked with key stakeholders to update the Nye Beach Design Guidelines, eliminating ambiguous language making it easier for business owners to understand the rules they need to follow for new development or when they are expanding businesses. The Community Development Department extended access to building services to 7 days a week, will be assuming mechanical permitting from the County within the Newport City limits (providing one stop shopping for permits), and is going live with ePermitting this spring so that businesses can submit applications and in some cases obtain permits online without having to drive to City Hall. Lastly, the Community Development Department issued 182 building permits in calendar year 2015 with a total construction value of \$21,957,649. This is on par with pre-recession levels of permit activity (e.g. 2006/2007) and is a 19% increase over the number of permits issued last year. Land use actions, where owners or businesses obtain approvals for new development, were similarly up over last year's numbers with 67 approvals being issued (a 76% increase). All of these permits were issued within established review timelines with only two appeals (one building and one land use), both of which were upheld.

15.3.5 Create a larger more prominent display for Coast Guard memorabilia within the City of Newport (3). Status: Ongoing

There has not been any significant work on this initiative so far this fiscal year. We will have a report for the Council consideration by May on this matter.

15.4.0 Public Safety

15.4.1 Pursue the hiring of a Fire Prevention Officer/Emergency Manager (6). Status: Completed

As part of the proposed budget, I did not recommend funding for this position however as part of the Budget Committee discussions when the school was not able to partially fund a school resource officer position, at a staff level we recommended the creation of an emergency coordinator and cost center. This position is currently being advertised and it is anticipated that the position will be filled by April.

15.4.2 Assign to the LINT Team (4). Status: Dropped

As part of the development of the budget, I did not recommend funding for a new position designed specifically for the LINT Team. The department was willing to consider naming one of the existing positions to the LINT Team once the department staffing situation stabilized. Since that time the LINT Team has disbanded.

15.4.3 Jointly fund a School Resource Officer with Lincoln County Schools (4). Status: Ongoing

At budget time, this position was funded assuming 50% of the funding would come from the school district. The schools were not able to fund this position and as a result those funds were shifted over to help create an emergency coordinator position as described earlier. Ongoing discussions are being held by the schools.

2016-2017 City Council Goals

The Goals prioritized by the City Council are identified by the numbered items (i.e. 1.1, 1.2). The number within parentheses indicates the number of Councilors who identified this item as a priority in the Goal Setting process. Goals indicated with "C" have been included by consensus.

16.1.0 Personnel

16.1.1 Pursue funding to create a deputy City recorder position (5).

16.1.2 Pursue designation of a police officer as a canine officer and acquirer a new dog (5).

16.1.3 Maintain funding for an assistant planner in the Community Development Department (4).

16.1.4 Increase resources for the Finance Department to proceed with project management tracking (4).

Other items identified by the Council during the goal setting session but not prioritized as goals:

- Make employee safety officer a full time position (1).
- Create a drug detective position (1).
- Hire fire prevention officer (1).
- Create a traffic enforcement officer (1).
- Provide financial support for volunteer recruitment (1).
- Hire an HR assistant.
- Increase funding for the training for the Public Works Department relating to reorganization (2).

16.2.0 Human Resources

16.2.1 Conduct a comprehensive review of all job descriptions of City employees and then complete a salary study for all employees of the City(C).

16.2.2 Pursue a comprehensive reorganization of the Public Works Department (C).

Other Items Identified by the Council during the Goal Setting Session but not prioritized as goals:

- Fund additional Public Works employees (2).
- Fund a preparedness guide book (1).
- Continue focus on training in the Police Department (1).
- Create a City wide safety training calendar (1).
- Implement photo ID badging for all City employees.
- Cross train Public Works employees on various jobs to create a higher level of proficiency.
- Provide funding for safety fairs.
- Continue funding for safety including jackets, vest, safety glasses, gloves, etc.

16.3.0 Community Development

16.3.1 Complete a comprehensive parking study for the Bayfront, City Center, and Nye Beach(C).

16.3.2 Complete a review of the system development charges for the City of Newport (C).

16.3.3 Review the roles and functions of City advisory committees (C).

16.3.4 Secure the second half of funding so that a Parks Master Plan can be initiated in the 2016-17 Fiscal Year (4).

16.3.5 Develop a mountain bike trail system on reservoir property which would also include a walking trail with disability/wheelchair access (3).

16.3.6 Investigate relocating National Guard Armory to the airport/South Beach (3).

16.3.7 Promote housing for all income levels, incorporating the requirements for smart growth and livability (3).

Other items identified by the Council during the goal setting session but not prioritized as goals:

- Evaluate alternative bridge location when replacement of the Yaquina Bay Bridge is required (2).
- Explore alternative crossing methods of Yaquina Bay (1).
- Implement a Tree Master Plan (1).
- Work with Fred Meyer to establish a gas station in Newport (1).
- Inventory City properties.

- Construct a new flag pole monument in front of City Hall
- Complete the bicycle pump track.

16.4.0 Capital Outlay

- 16.4.1 Review operations and plan for the start-up of the new Aquatic Center in conjunction with the Recreation Center (C).
- 16.4.2 Make improvements to the Betty Wheeler Field to address drainage problems (3).
- 16.4.3 Conduct a seismic study of the airport runways and facilities (3).
- 16.4.4 Develop parking for the City Hall Campus to address the pool, 60+ Center, Police, and Farmers Market needs (3).
- 16.4.5 Continue with reinvesting to renew the City's infrastructure (C).

Other Items Identified by the Council during the Goal Setting Session but not prioritized as goals:

- Upgrade firearms range building and firearms training equipment (2).
- Extend water and sewer services for economic and land development around the airport (2).
- Prioritize the capital improvement projects including a more comprehensive review of project schedules (2).
- Repair City clock and Landscaping around the clock (2).
- Install flashing lights on all crosswalks on 101(2).
- Complete the Fire Hall seismic retrofit (1).
- Fund demolition of the former wastewater building to be used as a safety and training site for the Fire Department (1).
- Refurbish the fuel farm (1).
- Pursue and acquisition with AIP Funding at the airport.
- Complete Airport Master Plan.
- Provide financial support for annual fly in event at the airport.
- Develop shovel ready plans for infrastructure upgrades at the airport.
- Support grant application for automatic weather observation system and pilot repeater.
- Coordinate with ODOT on the design and construction of the of the SW 35th Street intersection.
- Develop a pavement management program and funding mechanism.
- Gracefully retire the old swimming pool.

16.5.0 Equipment

- 16.5.1 Install four security cameras at the Library (3).

Other Items Identified by the Council during the Goal Setting Session but not prioritized as goals:

- Obtain a back-up generator for the Agate Beach Fire Station (2).
- Update security systems in IT (2).
- Install a permanent camera system in City Hall for broadcasting meetings (1).
- Install security cameras for all city facilities inside and outside (1).
- Purchase three-day survival kits for city employees to use if they are working during a natural disaster (1).
- Purchase gas monitors in addition to other safety equipment (1).
- Update registration of software for the management of the recreational facilities (1).
- Update for laptops for the Library (1).
- Provide additional financial support for IT.

- Replace the Parks and Recreation vehicle.
- Purchase a new canine car for the Police Department.
- Install speed monitoring on school access routes.
- Have survival kits for three days in all City vehicles.
- Replace SCVA units for the Fire Department.
- Replace Microphone covers in the Council Chambers.
- Replace chairs seats in the Council Chambers.

16.6.0 Operations

16.6.1 Undertake a comprehensive sewer and water rate study (C).

16.6.2 Review and write comprehensive water and sewer policies (C).

Other Items Identified by the Council during the Goal Setting Session but not prioritized as goals:

- Reestablish City Newsletters (Quarterly) as an enclosure in the water/sewer bill (2).
- Implement a \$.5 gas tax year round for the paving of gravel roads in the City (2).
- Review all City fees to make to it more friendly for development (1).
- Reestablish funding for non-profit (social service) agencies that provided services within the City (1).
- Review and rewrite the City's investment policy (1).
- Work to develop clear policies relating to public lighting, trees and sidewalks (1).
- Reestablish community and neighborhood watches.
- Create a facilities budget cost center.
- Fund historical records preservation.

Vision 2040

This fall the City Council accepted a report from the Community Visioning Work Group to initiate a comprehensive community visioning effort later in 2016. After accepting the report, the City Council appointed a steering committee to develop a request for proposals (RFP) for consultants to facilitate the community visioning process for the greater Newport area. It is expected that this visioning process will incorporate the views of many key stakeholders located within the City of Newport to develop a long term vision to help guide future development and policies in the community. This will include outreach efforts to all community stakeholders including those who do not normally interact with local government. The key provisions of this report are outlined below:

Community Vision

A vision for the City of Newport should create broad aspirational descriptions of the quality of life that the community desires in the future. These concepts can be divided into several appropriate categories and should serve as the long-term target for future planning efforts, particularly as the Comprehensive Plan is updated. In order for a vision to be sustainable, it needs to be based on a statement of values, and in the forefront of future city decision making processes. Furthermore, a vision needs to be revisited on a regular basis. The community vision should be the focus of annual goal setting sessions and appropriations processes to continue to determine specific steps for reaching the city's vision.

Guiding Principles for the Visioning Process

The Work Group identified several guiding principles for this undertaking.

1. Encourage the community to thoroughly participate and engage.

2. Engage Greater Newport Area participants, respecting all perspectives and opinions.
3. Establish a value based approach to addressing complex issues.
4. Strengthen relationships between community leaders and citizens.

Geography

The Work Group felt that the visioning process should go beyond the current city limits and current urban growth boundaries and encompass the Greater Newport Area.

Vision Target

Traditionally, a community visioning project will identify a target year in which to focus the visioning effort. The Work Group discussed a range of years from 20 years to 50 years. The Work Group recommends that a Greater Newport Area visioning process focus on 2040.

Stakeholders

A successful visioning process will include participation by many different groups and individuals within the Greater Newport Area. The Work Group has identified a list of participants that should be included in the community visioning process.

Potential Topic Areas of a Community Visioning

A community vision should focus on a number of key areas that will be defined as part of the visioning process, for example, they may include, but not be limited to:

- Education
- Health
- Environment
- Economic Development
 - Tourism
 - Research/Science
 - Commercial Fisheries
 - Governmental (NOAA, US Coast Guard, OSU, EPA, and others)
 - Industrial development
- Maritime commerce
- Infrastructure
- Transportation
- Maritime
- Safety/Disaster Preparedness
- Neighborhoods and Districts
- Arts
- Culture
- History
- Recreation
 - Sport fishing

Engagement Tools

The visioning process needs to facilitate broad participation and reach populations not previously reached, including, but not limited to:

- Collection of organizational visions from other community groups (i.e. schools, Port, OSU, etc.)

- Public opinion surveys
- Stakeholder's surveys
- Focus group discussions
- One on one interviews (personal, phone)
- Use of existing advisory boards and committees
- Participation by other governmental entities
- A speaker's bureau
- Community events
- Youth events
- Public meetings
- Online interaction (Including Websites, social media)
- Newsletters
- Media
- Multicultural outreach using translation services
- Community celebrations focused on the visioning process
- Other similar means to involve the community

Outcomes of Visioning Process

The Work Group defined four desired outcomes critical for the success of the visioning effort, including: vision; core values; realistic strategies to guide sustainable and ongoing implementation; local public engagement building community capacity. This process will create mechanisms to ensure that the community vision becomes a primary consideration of all future planning, updates to the Comprehensive Plan, and the annual appropriations process by the city and other organization to ensure that efforts are moving the community in the necessary direction to fulfill the visionary concepts identified through this process. A key component of the visioning process will be to identify these mechanisms to ensure that the vision will in Newport's future.

1. Mission
2. Core values
3. Realistic strategies to guide sustainable and ongoing implementation
4. Local public engagement building community capacity

Timetable

A comprehensive visioning process will likely take year to complete. The Visioning Steering Committee developed a comprehensive RFP. Proposals are due to the City of Newport on March 4, 2016. The Steering Committee will then conduct a review of the proposals received and likely conduct interviews of the firms to determine who will provide the best services for conducting a community wide visioning effort. It is anticipated that the visioning process would be initiated by summer 2016 and completed early in 2017. The approved vision would then be available to begin guiding the City of Newport, including future goal setting sessions to work towards the realization of the community vision.

A properly executed visioning process should provide the framework for development of longer term goals that will be reviewed on an annual basis and modified as necessary from time to time. This will provide great continuity from year to year to allow the Council, staff, advisory boards, and community to focus on longer term strategies to implement various aspects of the community vision. This will be an

2016-2017 Goals

exciting process and will give the community an excellent opportunity to play a meaningful role in carving out the vision for the future of the greater Newport area.

Attachments

Attached to this report are the departmental goals for 2016-17 Fiscal Year.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "S. R. Nebel". The signature is fluid and cursive, with the first name "Spencer" and last name "Nebel" clearly distinguishable.

Spencer R Nebel, City Manager



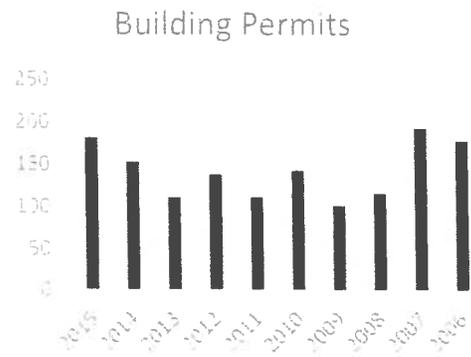
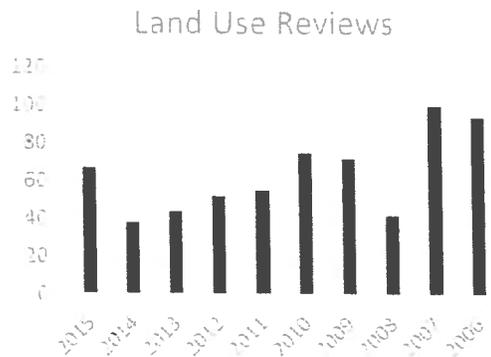
Memo

To: Newport Planning Commission
 From: Derrick Tokos, Community Development Director
 Date: February 18, 2016
 Re: Department Annual Report, Goals, and Work Program

BUILDING AND LAND USE PERMIT FIGURES

The following is a summary of building and land use activity and related trend data.

	Building Permits	Electrical Permits	Plumbing Permits	Construction Value	Land Use Actions
2015 Total	182 (\$184,602.72)	303 (\$39,558.07)	77 (\$14,778.82)	\$21,957,649.11	67 (\$31,870.00)
2014	153 (\$114,841.75)	304 (\$37,193.58)	87 (\$15,084.78)	\$13,248,480	38 (\$16,563.00)
2013	111 (\$68,843.48)	258 (\$28,809.30)	61 (\$12,220.12)	\$8,131,772	44 (\$11,979.00)
2012	138 (\$120,949.79)	260 (\$31,373.19)	62 (14,419.56)	\$14,603,755	52 (\$24,583.00)



The City issued 182 building permits in calendar year 2015 with a total construction value of \$21,957,649. This is on par with pre-recession levels of permit activity (e.g. 2006/2007) and is a 19% increase over the number of permits issued last year. Land use actions, where property owners obtain approvals for new development, were similarly up over last year's numbers with 67 approvals being issued (a 76% increase). The largest single development in 2015 was the aquatic facility with a construction value of \$7,820,344. Other significant projects include an 18 room addition to the Inn at Nye Beach at \$1,800,000, OMSI's Coastal Discovery Center at \$1,569,498, and the renovation of the Pacific Shrimp's processing facilities on the Bay Front at \$820,000. There were a total of 27 dwelling units constructed in 2015, which is similar to the number built last year (28) and more than twice what was being permitted during the recession. With the exception of one duplex, all of the 2015 units were single family homes. This is also consistent with recent trends.

Community Development Department Goals and Work Program

- A. Service Priorities Narrative: The Community Development Department (CDD) is responsible for administering the city's land use planning, building services and urban renewal programs, with an emphasis on providing clear, courteous, and consistent service to the Council, Planning Commission, and public. Service priorities for each of these programs are as follows:

Land Use Planning – Assist the citizenry in planning for, and facilitating future growth of the community; evaluate development projects to ensure that they meet city and state land use requirements; respond to customers with planning and zoning questions; and work with constituents to resolve code enforcement issues.

Building Services – Review and approve building plans; update building codes and system development charges to comply with state law and local policy; issue electrical and plumbing permits; respond to customers with building questions; and conduct building inspections.

Urban Renewal – In consultation with the Urban Renewal Agency, implement and refine, as needed, projects identified in the Newport Northside, Mclean Point, and South Beach Urban Renewal Plans. Project implementation for the South Beach Urban Renewal Plan is scheduled to run through 2020, at which point the primary focus will turn to debt retirement. The South Beach District is anticipated to close on 12/31/27. The other districts are newly formed with implementation over a 25 to 30-year timeframe.

B. Ongoing Goals

1. *Maintain and implement economic development strategies*

Goal met. CDD coordinated with the Planning Commission, City Council, impacted taxing districts and members of the broader community to put in place two new urban renewal districts north of the bridge, establishing a funding source for economic development initiatives over the next 20 to 30 years. The Department also administers the South Beach Urban Renewal District's Phase II construction program, and is coordinating with Oregon State University, Lincoln County and other partners on strategies for incentivizing the construction of multi-family development, including student housing, to support the University's plans to expand enrollment at the Hatfield Marine Science Center.

2. *Involve citizens in every aspect of planning*

Goal met. The Department actively solicits public participation at town hall meetings and all land use actions through direct mail notification, and encourages the public to attend land use hearings. Outreach meetings have been held on significant planning projects such as the establishment of the new, north side urban renewal districts. Citizen participation has also been encouraged through the formation of advisory committees to assist Department staff on legislative initiatives, such as the Ad Hoc Work Group that helped to update the Nye Beach Design Review Overlay and the advisory committee that is assisting in overseeing a parking management plan for the Bay Front, Nye Beach and City Center commercial districts.

C. Goals for FY 15-16

1. *Incorporate storm drainage and sewer master plans into the Public Facilities Element of the Newport Comprehensive Plan.*

Goal not yet met. Technical data for the sewer master plan is still being developed by consultants under contract with the Public Works Department. When that is complete, we will be in a position to take both plans through a Planning Commission and City Council adoption process. This will likely occur toward the end of this fiscal year with adoption in the fall.

2. *Assist the Public Works Department and its consultant in identifying Comprehensive Plan and Zoning Ordinance amendments needed in conjunction with an updated Airport Master Plan.*

Goal met. The Department has provided the Airport Master Plan consultants with relevant zoning and comprehensive plan documents.

3. *Initiate substantial amendment to System Development Charge methodology to reflect projects from the storm drainage, sewer, and airport master plan updates and ensure that the fee methodology is equitable.*

Goal not yet met. A request for proposals is being prepared for qualified consultants. Updated capital needs assessments for storm and sewer services and those for the airport (as they relate to infrastructure) should be refined enough that they will be able to inform the SDC work. This project is likely to be ongoing through the first half of next fiscal year.

4. *Complete annexation of the reservoir properties and jurisdictional transfer of Big Creek Road.*

Goal not yet met. Annexation was put on hold until the County legalized Big Creek Road. That work is complete and staff is coordinating with the County on a maintenance agreement. The annexation should be wrapped up by the end of the fiscal year.

5. *Initiate parking study to evaluate utilization and financing strategies for public parking assets in Nye Beach, City Center, and the Bay Front business districts with an eye toward using these assets as a rationale for eliminating off-street parking requirements for new development in these areas.*

Goal met. Consultant has been hired to perform the study and a steering committee has been formed. Work will extend into the first half of next fiscal year.

6. *Engage Lincoln County and other taxing entities on viability of establishing a multiple unit tax exemption program to incentivize construction of multi-family housing and provide recommendations on an appropriate course of action.*

Goal not yet met. Staff is looking for Council support to approach Lincoln County on putting together a technical work group to address this issue.

7. *Coordinate with the Seal Rock Water District to complete the withdrawal of annexed properties within the IGA service area in South Beach and assist owners of unincorporated parcels that are within the service area in filing withdrawal petitions with the County.*

Goal partially met. Previously annexed properties have been withdrawn from the Seal Rock Water District. Staff has not yet initiated outreach to property owners in unincorporated pockets that are within the City's service area.

8. *Update City of Newport building codes, processes, and agreements to streamline and enhance building services now that the City has hired a full time building official.*

Goal met. The City updated its building codes and is streamlining its processes as part of the e-permitting implementation that is set to go live on March 7, 2016.

9. *Secure an intergovernmental agreement with Lincoln County to allow the City to administer its mechanical permitting program within the Newport city limits.*

Goal not yet met. City submitted paperwork to the Oregon Building Codes Division in October requesting that the mechanical permitting program be transferred to the City. The State is required to make a decision by April 1, 2016. Staff is working with Lincoln County to update our mutual aid IGA. All of this work should be complete by the end of the fiscal year.

10. *Assess opportunities to implement e-permitting to streamline building services.*

Goal met. City is in the process of implementing an e-permitting system.

11. *Institute credit/debit card payment option for land use and building fees.*

Goal met. Credit card payment will be an option when the e-permitting system goes live on March 7, 2016.

12. *Coordinate with ODOT on a joint project to secure funding as part of the 2018-2021 STIP cycle to improve signal timing and intersection functionality along US 101.*

Goal not met. Funding for highway system enhancements was reduced for the 2018-2021 STIP cycle such that this project was no longer viable. Staff submitted a separate project for sidewalk along the east side of US 101 between NW 25th and NE 36th Street. No word yet on whether or not this project will be funded.

13. *Implement multi-jurisdictional partnership to facilitate development of workforce housing.*

Goal met with the MOU between the Lincoln Community Land Trust and Lincoln County, Lincoln City and Newport. Additional partnerships are needed and staff and the Council will be working to identify a number of steps that the City should take to move the dial on workforce and affordable housing issues.

14. *Implement the TGM LID Grant funded project to develop model policy, code, and informational materials to assist the City of Newport in making local improvement districts an effective and publicly acceptable financing tool for needed transportation system improvements.*

Goal not yet met. This State funded project has been moving forward. New Local Improvement District policies, code, modeling tools, and informational materials have been developed. A Planning Commission hearing is scheduled for March 14, 2016 and the City Council could take up the matter as early as April 25th.

15. *Administer implementation of Phase II Urban Renewal projects in South Beach.*

Goal met. Funded projects are under construction, with the exception of the US 101 / 35th Street improvements that are being designed by ODOT. Additional funding was secured from FEMA for Safe Haven Hill, which will require further Agency action in March or April.

16. *Complete process of forming a new north side Urban Renewal District (if determined to be feasible).*

Goal met. The new Northside and McLean Point Urban Renewal Districts were established in October.

17. *Oversee short-term management of leased properties and setup account for future demolition of the structures on the Urban Renewal Agency owned parcel at the intersection of US 101 and SE 35th Street.*

Goal met. Existing tenants are in short term, month to month leases with proceeds to be used for ongoing property maintenance and demolition of structures once the State completes the 35th Street signal and US 101 improvements in 2018.

D. Goals for FY 2016-17:

1. Assist the consultant, stakeholders and the broader community in developing a 2040 Vision Plan for the Greater Newport Area.
2. Facilitate adoption of the storm drainage, sewer, and airport master plans into the Newport Comprehensive Plan.
3. Complete the funded, substantial amendment to the City's System Development Charge methodology.
4. Initiate an update to the City's 1993 Park System Master Plan in coordination with the Newport Parks and Recreation Department.
5. Complete the parking study for the Bay Front, Nye Beach and City Center areas, including any recommended changes to the City's Comprehensive Plan, Zoning Ordinance and Municipal Code.
6. Implement City adopted affordable and workforce housing strategies, which may include collaboration with the County on development of a Multiple Unit Property Tax Exemption program.
7. Assist the Council in reviewing city owned properties to identify if any are surplus to the public need.
8. Amend City land use regulations, as needed, to address state and federal floodplain and wetland regulatory mandates.
9. Coordinate with ODOT and the Public Works Department on the implementation of the Agate Beach Wayside project.
10. Work with Central Lincoln People's Utility District and ODOT on the preparation and implementation of a utility undergrounding plan for US 101 south of the bridge and SE Ferry Slip Road.
11. Coordinate with ODOT on the design and construction of the SW 35th Street intersection project.
12. Work with the Urban Renewal Agency and community on a redevelopment concept for the 2.3 acre, agency owned, parcel at the northeast corner of SE 35th and US 101.
13. Assist the Urban Renewal Agency in establishing South Beach Urban Renewal Plan Phase III project priorities and seek matching funds where appropriate.
14. Assess initial e-permitting implementation and update, as needed, to improve customer service.
15. Obtain new 2017 aerial imagery in collaboration with Lincoln County and integrate the imagery and other GIS data into the e-permitting software, if practicable.

E. 2-5 Year Goals:

1. Facilitate adoption of the 2040 Vision Plan and the integration of its strategies and actions into the Newport Comprehensive Plan.
2. Complete updates to the City's Park System Master Plan and incorporate the changes into the City's Comprehensive Plan, Zoning Ordinance and SDC methodology as appropriate.
3. Implement recommendations of the parking study for the Bayfront, Nye Beach, and City Center commercial districts.
4. Develop an annexation strategy for South Beach industrial areas, including outreach to owners of unincorporated properties within the City's water service area that continue to be assessed by the Seal Rock Water District.
5. Implement Council strategies for strategic property acquisitions and sale and/or donation of property that is surplus to the public need.
6. Explore viability of obtaining Community Rating System certification to reduce flood insurance rate premiums for properties located within floodplains.
7. Assist the community in developing an Agate Beach Neighborhood Plan and revise the projects in the Northside Urban Renewal District to align with the plan.
8. Seek opportunities to partner with ODOT to improve signal timing and intersection functionality along US 101.
9. Assist the community, in partnership with ODOT, on the preparation of a Downtown Revitalization Plan and revise the projects in the Northside Urban Renewal District to align with the plan.
10. Adopt storm drainage and erosion control standards for new development in line with the newly adopted storm drainage master plan.
11. Initiate community engagement on forming an LID to supplement URA funding for street improvements in the Coho/Brant neighborhood.
12. Coordinate with ODOT on the design and construction of the SW 35th Street Intersection project.
13. Implement South Beach Urban Renewal Plan Phase III project priorities.
14. Work with the Port of Newport and Public Works Department to fund the design and construction of a sewer extension to Mclean Point as envisioned in the urban renewal plan.

F. Goals Beyond 5 Years:

1. Assist the community in revisiting and refreshing the 2040 Vision Plan, as needed.
2. Provide staff support on a range of strategies to achieve a tangible increase in the amount of affordable and workforce housing units in the City.
3. Obtain funding and initiate updates to Newport's housing and buildable lands inventories.
4. Assess staffing of community development and building service functions and seek adjustments, where needed, to respond to workflow demands.
5. Coordinate with ODOT on the replacement of the Yaquina Bay Bridge.
6. Assist with the implementation of the sewer extension and other projects identified in the McLean Point Urban Renewal Plan.
7. Pursue implementation of projects identified in the Northside urban renewal plan.
8. Facilitate closure of the South Beach urban renewal plan.

ATTACHMENT A

March 7, 2016

The Newport City Council recognizes that the limited supply of affordable and workforce housing in our community is a significant challenge that must be addressed through the pursuit of a variety of strategies consistent with the City's adopted housing policies, including:

1. Engaging Lincoln County and other taxing entities on the viability of establishing a multiple unit tax exemption program to incentivize construction of multi-family rental housing.

A technical work group could be formed to develop a framework for a tax exemption program. The group should include legal, planning, developer, assessor, and affordable housing representatives. Options would then be presented to policy makers for discussion and possible action.

2. Assessing city owned properties to identify if any are surplus to the public need and suitable for land banking (i.e. donation) or for sale.

Background information on each city owned property has been compiled and presented to the Council in the past. It can be refreshed and brought forward for discussion in a work session to see if there is general consensus if any of the parcels are surplus to the public need and, if so, what other use they may be suitable for. Any steps to surplus property require formal Council action, and the scope of what that might look like may become clearer following the work session. If an opportunity exists to sell, as opposed to donate property for workforce or affordable housing, the City should evaluate if a sale for less than market value could be used to leverage affordable units.

3. Looking into whether or not the City wants to convey to Lincoln County that it is willing to forgo tax revenue from the sale of foreclosed property if the property is to be used for affordable or workforce housing purposes.

This might be best accomplished by letter and a draft can be brought forward for Council consideration at a future meeting. Such a letter could then be distributed to other affected municipalities to see if they would be willing to sign on.

4. Investigating if changes are needed to the intergovernmental agreement the City has with Community Service Consortium (CSC) to improve citizen access to Community Development Block Grant (CDBG) funds the agency is managing on the City's behalf.

As an initial step, the Council may want to invite Community Service Consortium to provide an update on their implementation of the intergovernmental agreement, what they believe has and hasn't been working, and any suggestions they may have for how the program can be strengthened.

5. Exploring opportunities to incentivize the construction of affordable or workforce housing units with reductions in System Development Charges.

Funds have been budgeted for this work, and a Request for Proposals will be put out this spring to secure a consultant to assist the City in updating its System Development Charge (SDC) methodology. Strategies for structuring SDC fees to facilitate construction of affordable and workforce housing will be examined. An advisory committee will need to be formed to assist with the project, and the resulting recommendations would be presented to the Planning Commission and Council.

6. Evaluating the viability of adopting alternative street standards into the Newport Transportation System Plan and subdivision codes to reduce infrastructure costs for new development.

This will require coordination with the Public Works and Fire Departments and it might be best to forward the Planning Commission to develop options for reduced street sections for consideration and possible adoption into the Newport Transportation System Plan.

7. Evaluating opportunities to leverage Newport Northside Urban Renewal funds in redevelopment projects that will create new affordable and workforce housing units, recognizing that such funds will not be available for expenditure for several years.

No specific action is needed at this time. Goals were included in the urban renewal plan to support use of funds to promote the construction of affordable and workforce housing units. The Urban Renewal Agency should be in a position to initiate an Agate Beach neighborhood plan, and Downtown revitalization plan beginning in 2017/2018 and these planning efforts present an opportunity to identify if urban renewal funding can be leveraged to help realize new affordable or workforce housing units.

8. Participating in regional affordable and workforce housing forums with partner agencies and stakeholders.

This includes dedicating staff and meeting space to better understand partner agencies/stakeholders housing related needs, expertise and resources in order to develop concepts for moving affordable and workforce housing projects forward. The Economic Development Alliance of Lincoln County is tentatively looking to hold such a forum in Newport on April 5, 2016.

9. Reviewing any newly adopted statewide legislation intended to improve the availability affordable or workforce housing for potential application in Newport.

It is likely that the 2016 short session will produce some changes, including authority for local governments to adopt inclusionary zoning in a limited capacity (e.g. the ability to mandate that a portion of the units in a new multi-family development be affordable), and authorization for local governments to adopted a modest construction excise tax. The legislation could be forwarded to the Planning Commission for its consideration and recommendation as to whether or not any of the new authorities should be implemented.

10. Assisting Habitat for Humanity in implementing a land donation agreement for the construction of affordable housing at SE10th and S Pine Street.

Staff time will need to be dedicated to assist Habitat in putting easements in place, adjusting property lines, and taking similar measures to position the properties for development.